



RAND WEST CITY LOCAL MUNICIPALITY

INDIGENT SUPPORT POLICY 2017-2018

Policy: <i>INDIGENT SUPPORT POLICY</i>	Effective Date: 1 st July 2017
Approved: SP.10/30/05/2017	Review Date: 29/03/2017

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by council and may be reviewed on an earlier date if necessary.

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1. INTRODUCTION

The Indigent Support Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act No 108 of 1996. The policy is a result of continuous prevalence of indigence and poverty within communities. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. The Indigent Support Policy is aimed at ensuring that the State fulfil its constitutional obligation contained in the Bill of Rights. This policy must be read in conjunction with the Credit Control Policy and applicable legislative frameworks.

2. PREAMBLE

WHEREAS Section 74 of the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000), requires that the Council should, in formulating a Tariff Policy for the municipality, at least take into consideration the extent of subsidization of tariffs for poor households.

WHEREAS Council needs to have an approved Indigent Support Policy.

WHEREAS such policy must provide procedures and guidelines for the subsidisation of basic services and tariff charges to its indigent households.

WHEREAS the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life which takes into account socio-economic, health and environmental considerations.

NOW THEREFORE the Council of Rand West City Local Municipality has adopted the Indigent Support Policy set out hereunder: -

3. PURPOSE

- 3.1 To ensure and maintain access to basic services and/or benefits for all identified and deserving poor households including emergency services rendered by the Rand West City Local Municipality.
- 3.2 To ensure that subsidisation for indigent support is funded and allocated as per policy directives to the qualifying households.
- 3.3 To ascertain appropriate targeting options for the defined indigent households so as to ensure inclusiveness in the approach and application of the policy in an equitable manner.

- 3.4 To ensure the implementation of an exit strategy to support the increased mobility of the poor from the indigent register
- 3.5 To ensure that the Rand West City Local Municipality remains financially sustainable while meeting the needs of the indigents.
- 3.6 To improve monitoring systems, provide support and to strengthen capacity of the Rand West City Local Municipality to implement the policy.
- 3.7 To effectively manage co-ordination between internal departments with regard to the policy implementation.

4. OBJECTIVES OF POLICY

The objectives of the Indigent Support Policy are to ensure: -

- 4.1 the provision of basic services to indigent households in communities falling under the jurisdiction of the Rand West City Local Municipality in a sustainable manner, within the financial and administrative capacity of the Rand West City Local Municipality.
- 4.2 the establishment of procedures and guidelines for the effective subsidisation of basic service charges to such approved indigent households, within budgetary and Intergovernmental grant guidelines.

5. PRINCIPLES OF THE POLICY

Section 74 (2) (c) of the Municipal Systems Act, Act 32 of 2000 stipulates inter alia the following: -

“poor households must have access to at least basic services through:

- (i) tariffs that cover only operating and maintenance costs;
- (ii) special tariffs or life line tariffs for low levels of use or consumption of services for basic levels of service; or
- (iii) any other direct or indirect method of subsidization of tariffs for poor households;”

The following are the guiding principles which inform the formulation of an Indigent Support Policy:

- 5.1 the Indigent Support Policy must be formulated in accordance with the Constitution of the Republic of South Africa, 1996, (Act No 108 of 1996 and other applicable legislation, amongst others, the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) which provides that everybody has a right to administrative justice that is lawful, reasonable and procedurally fair.
- 5.2 relief must be provided by the Rand West City Local Municipality to registered residential consumers of services who are indigent.
- 5.3 Council must, wherever possible, ensure that any relief is in accordance with the Constitution and is cost effective, sustainable, practical, fair, equitable and justifiable.
- 5.4 the subsidising of minimum service levels should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- 5.5 differentiation must be made between those households who cannot afford to pay for basic services and those who do not want to pay for these services.
- 5.6 other municipal services in addition to free basic services should, where possible, be affordable and beneficial to the indigents.
- 5.7 the relief should be valid for a maximum period of 24 months.
- 5.8 the Council may review and amend the qualification criteria for indigent support.
- 5.9 the joint gross income of all the household occupants will be taken into account in determining the validity of indigent support application.
- 5.10 the indigent database shall be updated regularly.
- 5.11 In line with the objective of creating a vibrant and growing Municipality, the indigent policy is also aligned to the principles of Batho-Pele.
- 5.12 Batho-Pele further aims to ensure that attitudes, systems and procedures are capable of delivering enhanced public services.
- 5.13 misuse of any support or grant or supply of invalid information will lead to punitive action by Rand West City Local Municipality against indigent support beneficiaries.
- 5.14 the Rand West City Local Municipality reserve the right to verify new applications and existing approved indigents against any relevant external data source.
- 5.15 the Council must/may use external services and/or references to verify the information provided by the applicants.

6. DEFINITIONS

For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise: –

“Authorised Officer”	means any official of the Council who has been authorised by the Council to administer, implement and enforce the provisions of this policy.
“By-law”	means a by-law adopted by the Council

“Basic Municipal Service”	means the supply of the following basic municipal services within the budgetary and legislative guidelines: - <ul style="list-style-type: none"> • Energy supply • Water supply • Sanitation services • Refuse removal service
“Calendar days”	means all days in the month inclusive of Saturdays and Sundays
“Child Headed Households”	is deemed to be minor dependents of registered owner or tenant of property where due to death of parent(s) or legal guardian who is also registered owner or tenant, minor child is responsible for management of households.
“Constitution”	means the Constitution of the Republic of South Africa, 108 of 1996.
“Council”	means the Municipal Council of the Rand West City Local Municipality as referred to and constituted in terms of the provisions of section 157 of the Constitution and established by Provincial Notice No. 6768, as amended, exercising its legislative and executive authority through the municipality.
“Dependent”	means a person under the age of 18 years who is financially dependent and resides permanently with the owner and/or tenant of property in a single residential property within the area of jurisdiction of Rand West City Local Municipality.
“Essential household services package”	means provision of water supply, sanitation, refuse removal, supply of basic energy
“Household Income”	means any form of remuneration and/ or income as defined in the Sixth Schedule to the Income Tax Act, 58 of 1962 but excluding State Children Support grants
“Illegal connection”	means a connection to any system through which municipal services are provided, which is not authorized or approved by the Municipality or its authorized agent.
“Indigent Household”	means individuals who live together in a single residential property and collectively qualifies for indigent relief in terms of this policy
“Indigent Person”	means a person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, and supply of basic energy, food and clothing as defined in this policy.

“Municipal Finance Management Act” or “MFMA”	means the Local Government: Municipal Finance Management Act, Act 56 of 2003.
“MTREF”	Means the Medium Term Revenue and Expenditure Framework prepared and approved by the municipality in terms of the MFMA.
“Municipality”	means the RAND WEST CITY LOCAL MUNICIPALITY, a local government and legal entity with full legal capacity as contemplated in section 2 of the Systems Act read with the provisions of Chapter 7 of the Constitution and sections 12 and 14 of the Structures Act, with its main place of business and the offices of the Municipal Manager, as envisaged in terms of the provisions of section 115(3) of the Systems Act, at: c/o Sutherland and Pollock Streets, RANDFONTEIN, GAUTENG PROVINCE, and may, depending on the context, include: (a) its successor in title; or (b) a functionary, employee or official exercising a delegated power or carrying out an instruction, in the event of any power being delegated as contemplated in terms of the provisions of section 59 of the Systems Act, or exercising any lawful act in the furtherance of the Municipality’s duties, functions and powers; or (c) an authorised service provider fulfilling a responsibility assigned to it by the Municipality through a service delivery agreement.
“Municipal Manager”	means the Municipal Manager of the Municipality appointed in terms of the provisions of section 54A of the Systems Act and as referred to in the definition of “Accounting Officer” in section 1 of the MFMA, and also referred to in section 60 of the MFMA, and includes a person acting as an Accounting Officer, or the person to whom the Accounting Officer has delegated his/her authority to act.
“Municipal Property Rates Act” or “MPRA”	Means the Local Government: Municipal Property Rates Act, Act 6 of 2006 and the regulations promulgated in terms thereof.
“Occupants”	means the owner and/or legal tenant of property and all individuals who live together in a single residential property

“Pensioner”	means a person whom – (i) is at least than 60 years of age on date of application, provided that where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor; (ii) is the registered owner of the property or registered as “Life right use” tenant in deeds office; (iii) is the owner/occupant and account holder of the property concerned, which will consist of one dwelling only and no part thereof will be sub-leased; (iv) must reside permanently on the property concerned which consists of one dwelling only; and (v) a person who is a mentally and/or physically disabled person complying with the requirements in (i) to (iv) above.
“Registration method”	means registration process applied by Council in the indigent application process.
“Resident”	means a person residing within the area of jurisdiction of Rand West City Local Municipality and consume services as provided by the Council.
“Services”	means the “basic municipal services” as defined above
“Social service package”	means higher levels of household services and access to public services such as roads, public transport, community services and emergency services as provided by Council.
“Systems Act”	means the Local Government: Municipal Systems Act, Act 32 of 2000 and the regulations promulgated in terms thereof.
“Working Days”	means Monday to Friday excluding public holidays.

7. LEGISLATIVE FRAMEWORK AND GUIDELINES

7.1 The policy is designed and must be implemented within the framework of *inter alia* the following legislation:

- (a) The Constitution of the Republic of South Africa, Act No 108 of 1996.
- (b) The Local Government: Municipal Systems Act, Act No 32 of 2000.
- (c) The Municipal Finance Management Act, Act 56 of 2003.
- (d) The Promotion of Administrative Justice Act, Act 3 of 2000.
- (e) The Local Government: Municipal Property Rates Act, 2000, Act 6 of 2000.

- (f) The Water Service Act, Act 108 of 1997 and Regulations thereto; and
- (g) The Waste Act, Act 59 of 2008 and the Regulations thereto.

7.2 There are several strategies and guidelines relating to free basic services which compliment this policy and which must be taken into consideration in the implementation of this policy, including:

- (a) National Policy on Free Basic Services, National Policy on Free Basic Water, National Policy on Free Basic Electricity, National Policy for the Provision of Basic Refuse Removal Services to Indigent Households.
- (b) Free Basic Water Strategy and Guideline prepared by the Department of Water and Forestry (DWAF).
- (c) Free Basic Sanitation Strategy and Guidelines prepared by the DWAF.
- (d) Electricity Basic Support Tariff (Free Basic Electricity) Policy, 1 April 2003, prepared by the Department of Minerals and Energy.
- (e) National Policy on Free Basic Alternative Energy, 2007.

8. SCOPE OF POLICY APPLICATION

This policy document shall apply to the administration of all indigent determinations and offerings as determined by the Rand West City Local Municipality;

9. FUNDING

9.1 The main source of funding for the indigent subsidy is the Equitable Share Grant (ESG) allocation received by the municipality from the national fiscus.

9.2 In exceptional circumstances this can be supplemented from other sources of revenue. Council will determine the percentage subsidy amount, per service category, per household, on an annual basis, taking into consideration the municipality's Medium Revenue and Expenditure Framework (MTREF) budget proposals.

9.3 The subsidy allocation must be contained in the tariff schedule and must be reviewed annually with the annual budget and tariffs.

10. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT

10.1 REGISTERED HOUSEHOLD

10.1.1 Indigent Household

Indigent relief will be granted to an approved household **based on the following qualification criteria:**

- (a) The combined household income of all occupants above the age of 18 (eighteen) years and/or dependents residing on the property, is less than R4 000 per household.
- (b) The under mentioned social grants received will be excluded from determining household income:
 - Old Age Grant
 - Forster Child Grant, Pension Grant
 - Donations
 - Child Support Grant, and donations
 - Care Dependency Grant.
- (c) The account in respect of Basic Services and/or Assessment rates is held with the municipality in the name of the applicant;
- (d) The applicant is a South African citizen;
- (e) The property is used for residential purposes **ONLY**; and
- (f) The applicant **MUST** reside on the property in application.

10.1.2 Child-Headed Household

Child-headed households will be treated as special cases subject to the following conditions:

- (a) the normal qualifying criteria for indigent support in respect of remaining members of household is complied with;
- (b) the account of the deceased parents is closed;
- (c) the oldest child signs the user agreement assisted by appointed legal guardian;
- (d) property is not occupied by any member other than minor dependent children of deceased owner and or tenant or legal guardian.
- (e) the status of the household is reviewed in terms of this policy at least once every twelve months.

10.1.3 Exclusions – Registered Households

Indigent relief will **NOT** be granted where the applicant, household, occupants/ residents and/or dependents residing on the property, as the case may be, -

- (a) receive significant benefits or regular monetary income that is above the indigent qualification threshold;
- (b) where the applicant owns more than 1 (one) property, registered individually or jointly;

- (c) where the applicant rents or subleases her/his property or part thereof to any third party during the duration of the grant period; or
- (d) applicant tampers or illegally connects or reconnects services prior to this application, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the municipality have been paid in full.
- (e) Where business activities are being conducted on the property referred to in application for indigent support.
- (f) Potential indigents on privately owned properties, with the exception that the owner writes a letter confirming that the property is occupied free of rental fees.
- (g) Property classified as vacant on the valuation roll.

10.2 TERMINATION OF RELIEF

The indigent relief will be terminated when any of the following events occur :

- (a) Death of account holder;
- (b) Sale of property;
- (c) The owner vacates the property;
- (d) If it is found that the information provided on the form was falsified;
- (e) The household income status of client improves;
- (f) Voluntary exist by client;
- (g) On expiry of relief in absence of application to renew;
- (h) If it is established that the client has tampered with any of the utility connection of the municipality;
- (i) If an electricity Circuit breaker bigger than 30 amps is used.

10.3 INDIGENT

Indigent relief in respect of other services provided by the Municipality, excluding household free basic services and assessment rates grants, will be granted to approved indigent person where: -

- (a) applicant is a South African citizen;
- (b) applicant is over the age of 18 years of age but includes financially dependent minors of applicant;
- (c) applicant benefits or regular monetary income is less than one (1) monthly state pension grant, as amended by Minister of Finance from time to time.

11. EXTENT OF INDIGENT SUPPORT

11.1 REGISTERED INDIGENT HOUSEHOLD / PERSON

- (a) Indigent support will be given on a monthly basis, and the extent of the monthly support will be determined by the national policy guidelines and the Municipality's annual budgetary proposals and MTREF in respect of:

- (i) free basic water of 6kl per household per month;
 - (ii) free refuse collection;
 - (iii) free basic electricity or energy (depending on which service level is applicable) of 50KWH per household per month;
 - (iv) free basic sanitation; and
 - (vi) assessment rates in respect of residential property registered in name of qualifying indigent owner subject to the maximum amount of R 450,000 (One Hundred and fifty Thousand Rand Only) or as determined by the Municipality from time to time.
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- (b) the level of indigent support granted shall not exceed the actual monthly billing to the account in respect of the services referred to in the preceding paragraph.
 - (c) the relief will be subject to national policy guidelines and the Municipality's approved budgetary provisions.
 - (d) the total amount due by an approved indigent will be written off upon approval of the indigent support.
 - (e) In the case of tenants occupying municipal properties, all rental amounts due on approval will be written off.
 - (f) Annual write offs of arrear indigent debtors may also be considered by the Municipality.
 - (g) the recipient's monthly account per service will be credited with the amount of indigent relief granted in terms of this policy.
 - (h) a household may apply for the continuation of relief on expiry of the specified relief period subject to compliance with the applicable policy qualification criteria.
 - (i) In the case of Electricity all indigent supply must have a 30 amps Circuit breaker installed.

12. PERIOD OF RELIEF

Application based Indigent relief is granted for a period of 24 months which is determined by the Municipality from time to time.

The period of the approval is for a period of 24 months of the municipal year. The approvals are subject to review annually by the Finance department

13. ADMINISTRATION OF INDIGENT SUPPORT

The applicant must present his/her South African Identity Document at the point of application for which the following steps will occur: -

- 13.1 if registered owner or tenant of property, property details to be supplied with copy of monthly account statement and / or prepaid meter token along with SAPS certificate affidavit of names and identity number of individual residing on property.
- 13.2 after the application form has been completed, an effective and efficient evaluation system must be used in order to verify the information furnished by the applicant

- and to reach a decision within 21 days after the date on which the application was lodged.
- 13.3 The Applications will be reviewed by the Finance Indigent Administrators and decision granted provided to either approve in principle or decline.
 - 13.4 Upon approval in principle, the indigent administrator will verify the applicant in the credit bureau to ascertain data on application form.
 - 13.5 The municipality reserves the right to visit the property in application to verify the data on the form.
 - 13.6 The Municipal Manager or delegated nominee will consider and either approve or disapprove the application prior to the indigent being placed on the indigent register
 - 13.7 Whilst the application is under review, all credit control actions will be suspended on the precondition that the client settles their monthly levied accounts. Failure to comply may result in credit control actions taken.
 - 13.8 if a household is found to be indigent, his/her personal particulars must be registered on a database linked to the debtor's system with immediate effect.
 - 13.9 the onus is on the recipient of relief in terms of this policy to inform the Municipality of any change in his/her status or personal household circumstances.
 - 13.10 the declaration of residence in a household will be captured as an appended record to the relevant Identity Document number, and that will be the only property for which the individual bearing that Identity Document number can claim subsidy. In the case of there being any dispute as to the residence of a given individual, that individual's declaration IN PERSON at his or her indigent/finance office will take precedence over any declaration made by another individual that the person in question resides in their household.
 - 13.11 all indigents should be re-evaluated after every 12 months from the date on which relief was authorized in order to assess the need for the continuation of relief in terms of this policy. In the event where the socio-economic status of the household is improved beyond the indigent threshold the applicant has a responsibility to apply for cancellation of the indigent status as prescribed.
 - 13.12 Relief will be stopped with immediate effect if it is found that an approved indigent has supplied information known to have been untrue in order to obtain relief. It will further be stopped if it is discovered that an approved indigent failed to inform Rand West City Local Municipality of changes in his/her/their financial circumstances which would disqualify them from receiving assistance in terms of this policy. Providing misleading information constitutes fraud and Rand West City Local Municipality may claim any financial benefits that have been granted, from the indigent. In addition to having to repay the financial benefits, the indigent who has received the benefits will be guilty of committing an act of fraud which is a criminal offence and criminal charges may be brought against such person/s.
 - 13.13 A penalty may also be imposed on the client due to falsified data on application.

14. SECTION 89- DECEASED ESTATES

Children who have lost both parents and who have inherited fixed property and subject to the inability of the estate to pay arrear municipal accounts can register as indigents and

the municipality can write off the arrears on such fixed property due to the municipality, only if such property is to be registered in the names of such orphans

14.1 DOCUMENTATIONS REQUIRED IN APPLICATION OF INDIGENT STATUS:

- (a) Certified copy of South African ID of account holder and all occupants of the property
- (b) Certified copy Death Certificate
- (c) Proof of Income
- (d) Proof of Grant-Main applicant and Children
- (e) Bank Statement of applicant
- (f) Sworn Affidavit by applicant declaring source of income
- (g) Latest Municipal account
- (h) Copy of rental agreement if renting from Municipal Property
- (i) For all other private property rentals, Certified ID copy of owner and written confirmation that applicant has permission to stay at cost of owner

15. CONTROL MEASURES FOR THE DISTRIBUTION OF INDIGENT SUPPORT

- 15.1 any resident of the municipality who is aware of malpractice may lodge an objection to the Municipality for granting such relief to such a person.
- 15.2 the details of all applicants and their respective households must be submitted to the Municipality on a quarterly basis.

16. CORRECTIVE STEPS

On approval of indigent support application, the following may be implemented:

- 16.1 Installation of a Pre-Paid Electrical Meter together with a 30Amps Circuit breaker
- 16.2 Installation of a Water Demand Meter to restrict flow to the maximum free basic service granted.
- 16.3 Any water leaks within the Indigent' place of residence will be repaired by and at the cost of the municipality if reported within 24 hours of detection.
- 16.4 Clients who consumes double their monthly subsidised amounts for a period of three consecutive months for any utility service will be considered for review.
- 16.5 Clients who are in arrears with their municipal accounts in excess of 60 Days will be subjected to a 50/50 prepaid voucher split purchase recovery plan.

17. ACTION AGAINST MALPRACTICES TO MISREPRESENTATION OR MISUSE

Customers found to have misrepresented themselves in order to benefit from any of the Municipality's relief and / or benefit in terms of this policy, will be deemed to have

committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and all relief and / or benefits that have been received will be reversed to the account of the customer from date of offence.

17.1 if it is established that incorrect information was furnished in obtaining relief any of the following actions may be taken: -

- (a) suspend or stop the relief immediately.
- (b) recover from the recipient the amount of relief furnished by debiting his/her account.
- (c) apply the credit control and debt collection procedures of the municipality.
- (d) institute criminal proceedings against the recipient.
- (e) Impose a penalty as promulgated by council from time to time.

17.2 Customers found to have tampered, or illegally connects or reconnects services, will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Council from time to time, and all relief and/or benefits that have been received will be reversed to account of customer from date of offence and relief suspended or stopped immediately.

17.3 The applicable penalty as promulgated may also be imposed.

18. EXITING THE PROGRAMME

18.1 Prior to the expiry of the 24 months' period as contained in above the consumer may apply to be de-registered.

18.2 The application for de-registration will be administrated by the Finance Department where after the affected departments such as Water and Electricity will be requested to restore the full services at the property.

18.3 All approved applicants will be captured in the indigent data base, from which all skills development and job creation programmers developed by the Rand West City Local Municipality will draw their intake from.

18.4 Any department developing a measure or programme designed to target the poor will use this database as the main source of their programme participants.

18.5 This is designed to systematically assure that households qualifying for indigent support are subject to the full range of interventions delivered through (or in collaboration with) the Rand West City Local Municipality, in accordance with the Growth and Development Strategy Pillars, one of which is poverty alleviation.

19. RIGHT TO APPEAL

An applicant who is the registered household owner living within the municipal jurisdiction and therefore feels aggrieved by a decision taken in respect of his/her application may lodge an appeal in terms of section 62 of the Municipal Systems, Act 32 of 2000.

20. EFFECTIVE DATE

This policy is effective from 1 July 2017

21. SHORT TITLE

This policy shall be called the Indigent Support Policy of the Rand West City Local Municipality